

**CIVIL COVER SHEET**

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

**I. (a) PLAINTIFFS**

(b) County of Residence of First Listed Plaintiff \_\_\_\_\_  
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

**DEFENDANTS**

County of Residence of First Listed Defendant \_\_\_\_\_  
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

**II. BASIS OF JURISDICTION** (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff
- ☐ 2 U.S. Government Defendant
- ☐ 3 Federal Question  
(U.S. Government Not a Party)
- ☐ 4 Diversity  
(Indicate Citizenship of Parties in Item III)

**III. CITIZENSHIP OF PRINCIPAL PARTIES** (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- |   | PTF                        | DEF                        |   | PTF                        | DEF                        |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| Citizen of This State                   | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State     | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State                | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation  | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

**IV. NATURE OF SUIT** (Place an "X" in One Box Only)

Click here for: [Nature of Suit Code Descriptions.](#)

| CONTRACT  | TORTS  | FORFEITURE/PENALTY   | BANKRUPTCY  | OTHER STATUTES  |   |
|---|--|--|---|---|---|
| <input type="checkbox"/> 110 Insurance<br><input type="checkbox"/> 120 Marine<br><input type="checkbox"/> 130 Miller Act<br><input type="checkbox"/> 140 Negotiable Instrument<br><input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment<br><input type="checkbox"/> 151 Medicare Act<br><input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans)<br><input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits<br><input type="checkbox"/> 160 Stockholders' Suits<br><input type="checkbox"/> 190 Other Contract<br><input type="checkbox"/> 195 Contract Product Liability<br><input type="checkbox"/> 196 Franchise | <b>PERSONAL INJURY</b><br><input type="checkbox"/> 310 Airplane<br><input type="checkbox"/> 315 Airplane Product Liability<br><input type="checkbox"/> 320 Assault, Libel & Slander<br><input type="checkbox"/> 330 Federal Employers' Liability<br><input type="checkbox"/> 340 Marine<br><input type="checkbox"/> 345 Marine Product Liability<br><input type="checkbox"/> 350 Motor Vehicle<br><input type="checkbox"/> 355 Motor Vehicle Product Liability<br><input type="checkbox"/> 360 Other Personal Injury<br><input type="checkbox"/> 362 Personal Injury - Medical Malpractice | <b>PERSONAL INJURY</b><br><input type="checkbox"/> 365 Personal Injury - Product Liability<br><input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability<br><input type="checkbox"/> 368 Asbestos Personal Injury Product Liability<br><b>PERSONAL PROPERTY</b><br><input type="checkbox"/> 370 Other Fraud<br><input type="checkbox"/> 371 Truth in Lending<br><input type="checkbox"/> 380 Other Personal Property Damage<br><input type="checkbox"/> 385 Property Damage Product Liability | <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881<br><input type="checkbox"/> 690 Other<br><b>LABOR</b><br><input type="checkbox"/> 710 Fair Labor Standards Act<br><input type="checkbox"/> 720 Labor/Management Relations<br><input type="checkbox"/> 740 Railway Labor Act<br><input type="checkbox"/> 751 Family and Medical Leave Act<br><input type="checkbox"/> 790 Other Labor Litigation<br><input type="checkbox"/> 791 Employee Retirement Income Security Act<br><b>IMMIGRATION</b><br><input type="checkbox"/> 462 Naturalization Application<br><input type="checkbox"/> 465 Other Immigration Actions | <input type="checkbox"/> 422 Appeal 28 USC 158<br><input type="checkbox"/> 423 Withdrawal 28 USC 157<br><b>PROPERTY RIGHTS</b><br><input type="checkbox"/> 820 Copyrights<br><input type="checkbox"/> 830 Patent<br><input type="checkbox"/> 840 Trademark<br><b>SOCIAL SECURITY</b><br><input type="checkbox"/> 861 HIA (1395ff)<br><input type="checkbox"/> 862 Black Lung (923)<br><input type="checkbox"/> 863 DIWC/DIWW (405(g))<br><input type="checkbox"/> 864 SSID Title XVI<br><input type="checkbox"/> 865 RSI (405(g))<br><b>FEDERAL TAX SUITS</b><br><input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant)<br><input type="checkbox"/> 871 IRS—Third Party 26 USC 7609 | <input type="checkbox"/> 375 False Claims Act<br><input type="checkbox"/> 376 Qui Tam (31 USC 3729(a))<br><input type="checkbox"/> 400 State Reapportionment<br><input type="checkbox"/> 410 Antitrust<br><input type="checkbox"/> 430 Banks and Banking<br><input type="checkbox"/> 450 Commerce<br><input type="checkbox"/> 460 Deportation<br><input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations<br><input type="checkbox"/> 480 Consumer Credit<br><input type="checkbox"/> 490 Cable/Sat TV<br><input type="checkbox"/> 850 Securities/Commodities/Exchange<br><input type="checkbox"/> 890 Other Statutory Actions<br><input type="checkbox"/> 891 Agricultural Acts<br><input type="checkbox"/> 893 Environmental Matters<br><input type="checkbox"/> 895 Freedom of Information Act<br><input type="checkbox"/> 896 Arbitration<br><input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision<br><input type="checkbox"/> 950 Constitutionality of State Statutes |
| <b>REAL PROPERTY</b><br><input type="checkbox"/> 210 Land Condemnation<br><input type="checkbox"/> 220 Foreclosure<br><input type="checkbox"/> 230 Rent Lease & Ejectment<br><input type="checkbox"/> 240 Torts to Land<br><input type="checkbox"/> 245 Tort Product Liability<br><input type="checkbox"/> 290 All Other Real Property  | <b>CIVIL RIGHTS</b><br><input type="checkbox"/> 440 Other Civil Rights<br><input type="checkbox"/> 441 Voting<br><input type="checkbox"/> 442 Employment<br><input type="checkbox"/> 443 Housing/Accommodations<br><input type="checkbox"/> 445 Amer. w/Disabilities - Employment<br><input type="checkbox"/> 446 Amer. w/Disabilities - Other<br><input type="checkbox"/> 448 Education   | <b>PRISONER PETITIONS</b><br><b>Habeas Corpus:</b><br><input type="checkbox"/> 463 Alien Detainee<br><input type="checkbox"/> 510 Motions to Vacate Sentence<br><input type="checkbox"/> 530 General<br><input type="checkbox"/> 535 Death Penalty<br><b>Other:</b><br><input type="checkbox"/> 540 Mandamus & Other<br><input type="checkbox"/> 550 Civil Rights<br><input type="checkbox"/> 555 Prison Condition<br><input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement                                |   |   |   |

**V. ORIGIN** (Place an "X" in One Box Only)

- ☐ 1 Original Proceeding    ☐ 2 Removed from State Court    ☐ 3 Remanded from Appellate Court    ☐ 4 Reinstated or Reopened    ☐ 5 Transferred from Another District (specify)    ☐ 6 Multidistrict Litigation - Transfer    ☐ 8 Multidistrict Litigation - Direct File

**VI. CAUSE OF ACTION**

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

Brief description of cause:

**VII. REQUESTED IN COMPLAINT:**

☐ CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P.    DEMAND \$

CHECK YES only if demanded in complaint:

JURY DEMAND: ☐ Yes ☐ No

**VIII. RELATED CASE(S) IF ANY**

(See instructions):

JUDGE

DOCKET NUMBER

DATE

SIGNATURE OF ATTORNEY OF RECORD

**FOR OFFICE USE ONLY**

RECEIPT #

AMOUNT

APPLYING IFP

JUDGE

MAG. JUDGE

**Adam E. Jones, OSB No. 152429**

ajones@selmanlaw.com

**SELMAN BREITMAN LLP**

111 SW 5th Avenue, Suite 3150

Portland, OR 97204

Telephone: 503.444.3530

Facsimile: 503.444.3401

Attorneys for Plaintiff

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF OREGON

MEDFORD DIVISION

SCOTTSDALE INSURANCE COMPANY,

Plaintiff,

v.

ELITE MOVING SYSTEMS, INC., JAY  
HOROWITZ, and KIM HOROWITZ

Defendants.

Case No. \_\_\_\_\_

COMPLAINT

**I. COMPLAINT FOR DECLARATORY JUDGMENT**

NOW COMES Plaintiff, Scottsdale Insurance Company ("Scottsdale"), and as its Complaint for Declaratory Judgment against Defendants Elite Moving Systems, Inc. ("EMS"), Jay Horowitz, and Kim Horowitz, alleges, states, and avers:

**II. JURISDICTION AND VENUE**

1. Jurisdiction in this matter is based on diversity of citizenship pursuant to 28

U.S.C. § 1332(a)(1).

2. Scottsdale is a corporation organized under the laws of Ohio, with its principal place of business in Arizona.

3. On information and belief, EMS is an inactive corporation organized under California law, with its principal place of business in California.

4. On information and belief, Jay Horowitz and Kim Horowitz (the "Horowitzes") are residents of the state of Oregon.

5. Scottsdale brings this action to obtain a declaratory judgment that it has no duty to defend or indemnify EMS, in connection with a lawsuit file in the Circuit Court for the State of Oregon, Jackson County, styled *Jay Horowitz, et al. v. Lile International Companies, et al.*, No. 16CV08738 (the "Underlying Lawsuit"). A true and correct copy of the amended complaint in the Underlying Lawsuit is attached as **Exhibit A**.

6. Diversity jurisdiction exists because: a) there is complete diversity of citizenship between Scottsdale and Defendants; and b) the amount in controversy, including the potential costs of defending and indemnifying EMS, exceeds \$75,000.

7. Venue is appropriate under 28 U.S.C. § 1391 because EMS conducts business in Oregon, the Horowitzes are Oregon residents, and many of the alleged wrongs in the forming the basis of the Underlying Lawsuit occurred in Oregon.

### **III. THE UNDERLYING LAWSUIT**

8. The complaint in the underlying lawsuit was filed on or about March 18, 2016. An amended complaint was filed on or about March 30, 2016.

9. The Horowitzes allege that they contracted with EMS, on or about July 25, 2013, to move the Horowitzes' personal possessions from California to Talent, Oregon.

10. The Horowitzes further allege that EMS "used defendant Lile to assist in the unloading of plaintiffs' belongings in Oregon." According to the Horowitzes, EMS and/or Lile hired Wiles and Morgan to move the possessions into a home in Talent, Oregon, and, in so doing, provided the men with access to detailed knowledge of the Horowitzes' real and personal

property. The Horowitzes allege that the men gained "inside information" while acting within the course and scope of their employment.

11. According to the Horowitzes, sometime thereafter, Wiles and Morgan conspired to rob the Horowitzes' home. Wiles was incarcerated at the time, so Wiles and Morgan engaged a third person, Turner, to assist Morgan in the theft. The three men agreed to split the proceeds from the theft, using some of it to bail Wiles out of prison.

12. The Horowitzes allege that on May 3, 2014, Morgan and Turner, bearing one or more shotguns, criminally entered the Horowitzes' home. They allege that Morgan and Turner physically beat Jay Horowitz, and later trapped the Horowitzes in a closet. Turner and Morgan allegedly stole the Horowitzes' personal property resulting in a loss of approximately \$83,000. The Horowitzes' claim that they each suffered physical and mental injuries resulting in non-economic damages totaling \$2.5 million, and past and future medical expenses totaling \$700,000.

13. The Horowitzes allege that EMS is liable for Morgan's and Wiles's conduct because EMS failed to perform a criminal background check and/or failed to ensure that Lile performed a criminal background check. According to the Horowitzes, Morgan and Wiles had extensive criminal backgrounds, including multiple felonies and misdemeanors.

#### **IV. THE SCOTTSDALE POLICY**

14. Scottsdale issued to EMS general liability policy number CPS1851193, effective March 4, 2014 to March 4, 2015 (the "Policy"). A true and correct copy of the Policy is attached as **Exhibit B**.

15. The Policy contains the following insuring agreement, in relevant part:

#### **SECTION I – COVERAGES**

#### **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply.
- b. This insurance applies to "bodily injury" and "property damage" only if: ...
  - (2) The "bodily injury" or "property damage" occurs during the policy period; ....

**V. THE PREMIUM FINANCE AGREEMENT**

16. The premium for the Policy was financed through IPFS Corporation ("IPFS"), a premium finance company. EMS executed a Premium Finance Agreement (the "Agreement"), which set forth the terms of the premium financing relationship, including terms related to the consequences of non-payment, and a power of attorney.

17. Pursuant to the terms of the Agreement, IPFS mailed a Notice of Cancellation to EMS on April 28, 2014 due to EMS's non-payment of an installment under the Agreement. A true and correct copy of the Notice of Cancellation is attached as **Exhibit C**.

18. As permitted by the Agreement, IPFS exercised its authority under the Agreement and notified Scottsdale that the Policy was cancelled effective May 1, 2014.

**VI. GROUND FOR DECLARATORY JUDGMENT**

19. Scottsdale incorporates by reference paragraphs 1-18 above as if fully stated herein.

20. The Policy was cancelled effective May 1, 2014 due to EMS's failure to pay an

installment under the Agreement.

21. The Horowitzes allege that they suffered physical and emotional injury and loss of property relating to an event that occurred on May 3, 2014, which was outside of the policy period.

22. The Policy provides defense and indemnity relative to "property damage" and "bodily injury" only if "property damage" or "bodily injury" occurred during the policy period.

23. The Underlying Lawsuit does not allege "property damage" or "bodily injury" that occurred during the policy period.

24. Thus, Scottsdale has no duty to defend or indemnify EMS in connection with the Underlying Lawsuit.

25. An actual controversy exists between Scottsdale and all Defendants. Pursuant to FRCP 57, and 28 U.S.C. §§ 2201 and 2202, this Court is vested with the power to declare the rights and liabilities of the parties, and to grant such relief as it deems necessary and proper.

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WHEREFORE, Plaintiff, Scottsdale Insurance Company respectfully requests the following relief:

- A. Declare that Scottsdale has no duty to defend EMS in the Underlying Lawsuit;
- B. Declare that Scottsdale has no duty to indemnify EMS in the Underlying Lawsuit;  
and
- C. Grant any other relief that this Honorable Court deems just and equitable under the circumstances, including an award of costs. Such other and further relief as the Court deems just and proper.

Respectfully submitted,

DATED: March 7, 2017

SELMAN BREITMAN LLP

By: /s/Adam E. Jones

ADAM E. JONES, OSB No. 152429  
PETER J. MINTZER, OSB No. 910812  
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Email: [ajones@selmanlaw.com](mailto:ajones@selmanlaw.com)  
[pmintzer@selmanlaw.com](mailto:pmintzer@selmanlaw.com)

Attorneys for Scottsdale Insurance Company

# EXHIBIT A



3/30/2016 12:12:53 PM  
16CV08738

## IN THE CIRCUIT COURT FOR THE STATE OF OREGON FOR JACKSON COUNTY

JAY HOROWITZ and KIM HOROWITZ,  
husband and wife, acting by and through  
their Guardian ad Litem, LORI WARD,

Plaintiffs,

v.

LILE INTERNATIONAL COMPANIES, an  
Oregon Corporation, doing business as  
"LILE MOVING & STORAGE CO.," also  
known as "LILE NORTH AMERICAN  
MOVING AND STORAGE"; and ELITE  
MOVING SOLUTIONS, INC., a California  
Corporation, formerly known as "ELITE  
MOVING SYSTEMS, INC.," an inactive  
California Corporation,

Defendants.

Case No. 16CV08738

AMENDED COMPLAINT FOR BODILY  
INJURIES AND PROPERTY DAMAGE(Claim is Not Subject to Mandatory  
Arbitration)

(Total Claim: \$3,283,000)

(Fee Authority: ORS 21.160(1)(d))

Plaintiffs allege:

1.

Defendant Elite Moving Solutions, Inc. is a California corporation that does business in many states, including Oregon. Elite Moving Solutions, Inc. was formerly known as "Elite Moving Systems, Inc.," which is now an inactive California corporation.

2.

Defendant Lile International Companies, is an Oregon corporation that has several branches in Oregon and Washington, including a branch in Medford. It does business under several pseudonyms, including "Lile Moving and Storage" and "Lile North American Moving and Storage."

///

///

3.

This court has appointed Lori Horowitz to be guardian ad litem for her parents, plaintiffs Jay Horowitz and Kim Horowitz.

4.

On or about July 25, 2013 plaintiffs' contracted with defendant Elite to move their belongings from West Hills, California to Talent, Oregon.

5.

Elite, in turn, used defendant Lile to assist in the unloading of plaintiffs' belongings in Oregon.

6.

Elite and/or Lile engaged the services of two men, Curtis Wiles and Jason Morgan, to move plaintiffs into their new home in Talent. In doing so, Elite/Lile provided Wiles and Morgan ready access to a detailed knowledge of plaintiffs' real and personal property, including the layout of their home and the value of their possessions. When Wiles and Morgan gained this inside information, they were working for Elite/Lile, and were acting within the course and scope of their employment.

7.

Wiles and Morgan were both career criminals, a fact that Elite/Lile easily could--and should--have discovered before engaging their services.

8.

A few months later, in November 2013, Wiles and Morgan went near plaintiffs' home in Talent, intending to rob them. They instructed a female accomplice to go to the home, and pretend her car had broken down. She was to ask to use plaintiffs' telephone to call for help, and by this ruse discover whether plaintiffs were alone. By this surveillance, Wiles and Morgan

1 learned that others were then in the home with plaintiffs, so they decided to wait until a better  
2 time.

3  
4 9.

5 Six months later Wiles and Morgan again conspired to rob the home. Because Wiles  
6 was by this time in jail for other misconduct, another man, James Turner, agreed to assist  
7 Morgan in the heist. All three men intended to split their plunder, using some of it to bail Wiles  
8 out of jail.

9 10.

10 On May 3, 2014, Morgan and Turner, wearing masks and carrying one or more  
11 shotguns, criminally entered the Horowitz home. Once inside, they savagely beat Jay Horowitz  
12 with the barrel and butt of a shotgun, striking him repeatedly in the head, back, and torso.  
13 Morgan and Turner then stuffed Jay and Kim Horowitz into a small hot water heater closet, and  
14 propped a chair against the closet door so they could not escape. The thieves then made off  
15 with jewelry, cash, travelers checks, silver, coins, bullion, wallets, credit cards, and important  
16 personal documents, including identification papers and passports, as well as plaintiffs' car,  
17 which they damaged and later abandoned, all of which resulted in property losses of about  
18 \$83,000.

19  
20 11.

21 As a result of thieves' assault, Jay Horowitz suffered massive physical injuries, including  
22 but not limited to, painful and disabling head, back, and internal injuries, and traumatic  
23 psychological injuries. These physical and mental injuries are probably permanent, and have  
24 caused Horowitz to endure suffering and pain and to be limited in his normal and usual activities,  
25 and he is likely to continue to endure such suffering and pain and limitation of activities. He  
26



1 should be fully and fairly compensated for these non-economic damages in a sum not to exceed  
2 \$2 million.

3  
4 12.

5 As a result of his injuries, Horwitz has incurred medical bills of approximately \$200,000,  
6 and he is likely to need ongoing medical care for his injuries, at a cost of approximately  
7 \$100,000 per year, over next five years or more, for an estimated total of \$500,000 or more.

8 13.

9 As a result of this same assault, Kim Horowitz suffered physical injuries and  
10 psychological trauma when Turner and Morgan manhandled her into the narrow hot space of  
11 the water heater closet, and savagely beat her husband, especially since these were perhaps  
12 her last vivid memories before dementia closed her mind to most other memories. She should  
13 be fully and fairly compensated for her non-economic damages, in a sum not to exceed  
14 \$500,000.

15 14.

16 The legal liability of Elite and Lile for the conduct of Wiles, Morgan, and Turner is based  
17 upon the following facts:

18 (a) Both Elite and Lile had a "special relationship" with plaintiffs, Elite because of the  
19 contract and Lile because it helped carry out that contract or otherwise was involved in the  
20 move;  
21

22 (b) It was foreseeable that career criminals, such as Wiles and Morgan, might use  
23 the inside information they had gained about customers to later assault and rob them;

24 (c) Lile proclaimed on its website and promotional literature that its movers are  
25 "AMSA Certified" and that its crews are "courteous and professionally trained." The American  
26 Moving & Storage Association, which grants "AMSA Certification," advises on its website that

1 such certification "has come to represent a fundamental competency and adherence to ethical  
2 conduct." By using convicted felons who had no such certifications, Lile violated its own  
3 published standards, and both Lile and Elite violated the reasonable expectations of ordinary  
4 citizens, who generally believe that moving companies should not introduce criminals into their  
5 homes.

6 (d) Because of (a), (b), and (c), Elite and Lile had a duty to do criminal background  
7 checks on Wiles and Morgan before using them to move possessions into customers' homes. If  
8 they had done such background checks, they would have discovered the following:  
9

10 (i) That before working for Elite/Lile, Jason Morgan had a criminal record that  
11 included multiple felonies and misdemeanors for stealing cars, and for driving while intoxicated,  
12 driving while uninsured, driving while suspended, and driving while revoked, as well as for  
13 various drug crimes, and for criminal mischief, theft, and giving false information to police  
14 officers; and

15 (ii) That before working for Elite/Lile, Curtis Wiles had a criminal record that  
16 included multiple felonies and misdemeanors, including for assault, strangulation, and  
17 harassment, and for the unlawful use of a weapon, and for the delivery of methamphetamines,  
18 and for recklessly endangering other persons.  
19

20 15.

21 Under the legal doctrines of respondeat superior, negligent hiring and retention, and tort  
22 foreseeability, Elite and Lile are liable for plaintiffs' losses and injuries.

23 ///

24 ///

25 ///

26 ///

1 WHEREFORE, plaintiffs pray for judgment against Elite and Lile, jointly and severally, for  
2 \$2.5 million in non-economic damages, \$700,000 or more for the past and future medical  
3 expenses, and \$83,000 for property losses, together with costs and disbursements.

4 DATED this 30 day of March, 2016.

5 KELLY L. ANDERSEN,  
6 A PROFESSIONAL CORPORATION

7  
8 By 

Kelly L. Andersen, OSB # 791464

# EXHIBIT B

## **ADDENDUM**

**Some internal notes, stamps or typing on the Declaration sheet may appear. The intended use for these is internal only and may not have been a part of the policy received by the insured.**

**Policy fees, inspection fees or taxes, or additional instructional stamps may have appeared on the policy received by the insured but may not appear on this copy.**





SCOTTSDALE INSURANCE COMPANY®

Home Office:

One Nationwide Plaza • Columbus, Ohio 43215

Administrative Office:

8877 North Gainey Center Drive • Scottsdale, Arizona 85258

1-800-423-7675

A STOCK COMPANY

In Witness Whereof, the Company has caused this policy to be executed and attested.

Secretary

President

The information contained herein replaces any similar information contained elsewhere in the policy.

## COMMON POLICY DECLARATIONS

Renewal of  
CPS1718857

SCOTTSDALE INSURANCE COMPANY®

Policy Number  
CPS1851193

Home Office:

One Nationwide Plaza ▪ Columbus, Ohio 43215

Administrative Office:

8877 North Gainey Center Drive ▪ Scottsdale, Arizona 85258

1-800-423-7675

A STOCK COMPANY

**ITEM 1. Named Insured and Mailing Address**ELITE MOVING SYSTEMS, INC  
3355 EAST SALUSON AVE  
VERNON, CA 90058**Agent Name and Address**COASTAL BROKERS INSURANCE SERVICES  
6602 OWENS DRIVE SUITE 300  
PLEASANTON, CA 94588

Agent No.: 04068 Program No.: DX, JM

**ITEM 2. Policy Period** From: 03/04/2014 To: 03/04/2015 Term: 365 DAYS

12:01 A.M., Standard Time at the mailing address shown in ITEM 1.

Business Description: MOVING &amp; STORAGE COMPANY

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy. This policy consists of the following coverage parts for which a premium is indicated. Where no premium is shown, there is no coverage. This premium may be subject to adjustment.

| Coverage Part(s)                            | Premium Summary    |
|---|--------------------|
| Commercial General Liability Coverage Part  | \$ 2,515           |
| Commercial Property Coverage Part           | \$ NOT COVERED     |
| Commercial Crime And Fidelity Coverage Part | \$ NOT COVERED     |
| Commercial Inland Marine Coverage Part      | \$ 750             |
| Commercial Auto Coverage Part               | \$ NOT COVERED     |
| Professional Liability Coverage Part        | \$ NOT COVERED     |
|   | \$                 |
|   | \$                 |
| <b>Total Policy Premium:</b>                | <b>\$ 3,265.00</b> |
|   | \$                 |
|   | \$                 |
|   | \$                 |
| 3% State Tax                                | \$ 97.95           |
| 0.200% Stamp Fee                            | \$ 6.53            |
|   | \$                 |
| <b>Policy Total:</b>                        | <b>\$ 3,369.48</b> |

Form(s) and Endorsement(s) made a part of this policy at time of issue:

SEE SCHEDULE OF FORMS AND ENDORSEMENTS

Countersigned Date: CB/AM 03/13/2014

THIS COMMON POLICY DECLARATION AND THE SUPPLEMENTAL DECLARATION(S), TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART(S), COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED POLICY.



SCOTTSDALE INSURANCE COMPANY®

**SCHEDULE OF FORMS AND ENDORSEMENTS**

Policy No. CPS1851193 Effective Date: 03/04/2014  
 12:01 A.M., Standard Time

Named Insured ELITE MOVING SYSTEMS, INC Agent No. 04068

## COMMON FORMS

UTS-COVPG 12-09  
 OPS-D-1 8-10  
 UTS-SP-2 12-95  
 UTS-SP-3 8-96  
 IL 09 53 1-08

Cover Page  
 Common Policy Declarations  
 Schedule Of Forms and Endorsements  
 Locations Schedule  
 Excl Cert Acts Terrorism

## GENERAL LIABILITY FORMS

CLS-SD-1L 8-01  
 CLS-SP-1L 10-93  
 CG 00 01 4-13  
 CG 21 39 10-93  
 CG 21 49 9-99  
 CG 21 54 1-96  
 CG 21 73 1-08  
 GLS-100s 6-13  
 GLS-246s 5-01  
 GLS-282s 4-08  
 GLS-289s 11-07  
 UTS-128s 10-07  
 UTS-246s 12-12  
 UTS 365s 2 09

GL Supplemental Dec  
 GL Ext Supplemental Dec  
 General Liab Cov  
 Contractual Liab Limitation  
 Total Pollution Excl  
 Excl-Designated Ops-Consolidated  
 Exclusion-Certified Acts Of Terrorism  
 Excl-Contractors And Subcontractors  
 Total Poll Exclusion Endorsement  
 Multi-Unit Habitat Conversion Excl  
 Known Injury/Dmg Excl-Personal/Advertise Injury  
 Optional Provisions Endt  
 Amendatory Endts Without Med Pay Excl  
 Amend Of Nonpayment Cancel Condition

## INLAND MARINE FORMS [ISO]

CIS-SD-1 5-97  
 CM 00 01 9-04  
 IMS-P-2 4-11

Inland Marine Supplemental Dec  
 Commercial Inland Marine Condions  
 Warehouse Operations Legal Liability Coverage

## STATE FORMS

CG 32 34 1-05  
 IL 01 02 5-05  
 UTS-253-CA 1-97

CA-Changes  
 CA-Changes-Actual Cash Value  
 CA-Amendatory Endorsement

## POLICYHOLDER NOTICES

NOTX0178CW 2-06  
 NOTS0021CA 7 11

Claim Reporting Information  
 CA Notice To Insured (SLA D 2)

**ADDITIONAL FORMS**



SCOTTSDALE INSURANCE COMPANY®

## SCHEDULE OF LOCATIONS

Policy No. CPS1851193Effective Date 03/04/2014  
12:01 A.M. Standard TimeNamed Insured ELITE MOVING SYSTEMS, INCAgent No. 04068

| Prem.<br>No. | Bldg.<br>No. | Designated Premises<br>(Address, City, State, Zip Code) | Occupancy           |
|--------------|--------------|---|---------------------|
| 1            | 1            | 3355 EAST SLAUSON AVE<br>VERNON, CA 90058               | MOVING & STORAGE CO |

POLICY NUMBER: CPS1851193

IL 09 53 01 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION OF CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
 COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 CRIME AND FIDELITY COVERAGE PART  
 EQUIPMENT BREAKDOWN COVERAGE PART  
 FARM COVERAGE PART  
 STANDARD PROPERTY POLICY

**SCHEDULE**

The **Exception Covering Certain Fire Losses** (Paragraph C) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:

| <b>State(s)</b>  | <b>Coverage Form, Coverage Part Or Policy</b> |
|--|---|
| CALIFORNIA   | COMMERCIAL INLAND MARINE COVERAGE PART        |
|  |   |
|  |   |
|  |   |
|  |   |
| Information required to complete this Schedule, if not shown above, will be shown in the Declarations. |   |

- A.** The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- B.** The following exclusion is added:

**CERTIFIED ACT OF TERRORISM EXCLUSION**

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

- C. Exception Covering Certain Fire Losses**

The following exception to the exclusion in Paragraph B. applies only if indicated and as indicated in the Schedule of this endorsement.

If a "certified act of terrorism" results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements which apply to those forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

**D. Application Of Other Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.



SCOTTSDALE INSURANCE COMPANY®

## COMMERCIAL GENERAL LIABILITY COVERAGE PART SUPPLEMENTAL DECLARATIONS

Policy No. CPS1851193 Effective Date 03/04/2014  
12:01 A.M., Standard Time

Named Insured ELITE MOVING SYSTEMS, INC Agent No. 04068

**Item 1. Limits of Insurance**

| Coverage   | Limit of Liability   |
|--|--|
| Aggregate Limits of Liability                            | Products/Completed Operations Aggregate<br>\$ <u>1,000,000</u>   |
|  | General Aggregate (other than Products/Completed Operations)<br>\$ <u>2,000,000</u>  |
| Coverage A - Bodily Injury and Property Damage Liability | any one occurrence subject to the Products/Completed Operations and General Aggregate Limits of Liability<br>\$ <u>1,000,000</u> |
| Damage to Premises Rented to You Limit                   | any one premises subject to the Coverage A occurrence and the General Aggregate Limits of Liability<br>\$ <u>100,000</u>         |
| Coverage B - Personal and Advertising Injury Liability   | any one person or organization subject to the General Aggregate Limits of Liability<br>\$ <u>1,000,000</u>                       |
| Coverage C - Medical Payments                            | any one person subject to the Coverage A occurrence and the General Aggregate Limits<br>\$ <u>5,000</u>                          |

**Item 2. Description of Business**

Form of Business:

- ☐ Individual
 ☐ Partnership
 ☐ Joint Venture
 ☐ Trust
 ☐ Limited Liability Company
- ☒ Organization including a corporation (other than Partnership, Joint Venture or Limited Liability Company)

Location of All Premises You Own, Rent or Occupy:

**Item 3. Forms and Endorsements**

Form(s) and Endorsement(s) made a part of this policy at time of issue:

**See Schedule of Forms and Endorsements****Item 4. Premiums**

|                        |                 |
|------------------------|-----------------|
| Coverage Part Premium: | \$ <u>2,515</u> |
| Other Premium:         | \$              |
| Total Premium:         | \$ <u>2,515</u> |

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.



SCOTTSDALE INSURANCE COMPANY®

## COMMERCIAL GENERAL LIABILITY COVERAGE PART EXTENSION OF SUPPLEMENTAL DECLARATIONS

 Policy No. CPS1851193 Effective Date: 03/04/2014

12:01 A.M., Standard Time

 Named Insured ELITE MOVING SYSTEMS, INC Agent No. 04068

| Prem. No.  | Bldg. No. | Class Code | Exposure | Basis                    |
|--|-----------|------------|----------|--------------------------|
| 1  | 1         | 68706      | 13,500   | AREA                     |
| <b>Class Description:</b><br>WAREHOUSES - PRIVATE (OTHER THAN NOT-FOR-PROFIT)<br>(PRODUCTS-COMPLETED OPERATIONS ARE SUBJECT TO THE<br>GENERAL AGGREGATE LIMIT) |           |            |          | Premises/Operations      |
|  |           |            |          | Rate Premium             |
|  |           |            |          | 81.000 1,094             |
|  |           |            |          | Products/Comp Operations |
|  |           |            |          | Rate Premium             |
|  |           |            |          | INCLUDED INCLUDED        |
| Prem. No.  | Bldg. No. | Class Code | Exposure | Basis                    |
| 1  | 1         | 99793      | 1        | 1ST TRUCK EACH           |
| <b>Class Description:</b><br>TRUCKERS (PRODUCTS-COMPLETED OPERATIONS ARE<br>SUBJECT TO THE GENERAL AGGREGATE LIMIT)  |           |            |          | Premises/Operations      |
|  |           |            |          | Rate Premium             |
|  |           |            |          | 796.880 797              |
|  |           |            |          | Products/Comp Operations |
|  |           |            |          | Rate Premium             |
|  |           |            |          | INCLUDED INCLUDED        |
| Prem. No.  | Bldg. No. | Class Code | Exposure | Basis                    |
| 1  | 1         | 99793      | 2        | 2ND /3RD TRUCK EACH      |
| <b>Class Description:</b><br>TRUCKERS (PRODUCTS-COMPLETED OPERATIONS ARE<br>SUBJECT TO THE GENERAL AGGREGATE LIMIT)  |           |            |          | Premises/Operations      |
|  |           |            |          | Rate Premium             |
|  |           |            |          | 262.010 524              |
|  |           |            |          | Products/Comp Operations |
|  |           |            |          | Rate Premium             |
|  |           |            |          | INCLUDED INCLUDED        |
| Prem. No.  | Bldg. No. | Class Code | Exposure | Basis                    |
| 1  | 1         | 49950      | 1        | EACH                     |
| <b>Class Description:</b><br>ADDITIONAL INTERESTS  |           |            |          | Premises/Operations      |
|  |           |            |          | Rate Premium             |
|  |           |            |          | 100.000 100              |
|  |           |            |          | Products/Comp Operations |
|  |           |            |          | Rate Premium             |
|  |           |            |          |                          |



**COMMERCIAL GENERAL LIABILITY**  
**CG 00 01 04 13**

# COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

## SECTION I – COVERAGES

### COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (2) The "bodily injury" or "property damage" occurs during the policy period; and

- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

## 2. Exclusions

This insurance does not apply to:

### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

### b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

### c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

### d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

### e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

**f. Pollution**

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
  - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
    - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
    - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
    - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
  - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
  - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
    - (i) Any insured; or
    - (ii) Any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
  - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
  - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
  - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

**g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
- (b) The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

**h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

**i. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**j. Damage To Property**

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;

- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

**k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

**l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**m. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**n. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

**p. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**q. Recording And Distribution Of Material Or Information In Violation Of Law**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or



- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

## **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**

### **1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:
- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

### **2. Exclusions**

This insurance does not apply to:

#### **a. Knowing Violation Of Rights Of Another**

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

#### **b. Material Published With Knowledge Of Falsity**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

#### **c. Material Published Prior To Policy Period**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

#### **d. Criminal Acts**

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

#### **e. Contractual Liability**

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

#### **f. Breach Of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

#### **g. Quality Or Performance Of Goods – Failure To Conform To Statements**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

#### **h. Wrong Description Of Prices**

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

**i. Infringement Of Copyright, Patent, Trademark Or Trade Secret**

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

**j. Insureds In Media And Internet Type Businesses**

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

**k. Electronic Chatrooms Or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

**l. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**m. Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**n. Pollution-related**

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**o. War**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**p. Recording And Distribution Of Material Or Information In Violation Of Law**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

**COVERAGE C – MEDICAL PAYMENTS****1. Insuring Agreement**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;
- provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

**2. Exclusions**

We will not pay expenses for "bodily injury":

**a. Any Insured**

To any insured, except "volunteer workers".

**b. Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

**c. Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

**d. Workers' Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

**e. Athletics Activities**

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

**f. Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

**g. Coverage A Exclusions**

Excluded under Coverage A.

**SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.



- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
  - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
  - b. This insurance applies to such liability assumed by the insured;
  - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
  - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
  - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
  - f. The indemnitee:
    - (1) Agrees in writing to:
      - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
      - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
      - (c) Notify any other insurer whose coverage is available to the indemnitee; and
      - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
    - (2) Provides us with written authorization to:
      - (a) Obtain records and other information related to the "suit"; and
      - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b.(2)** of Section **I – Coverage A – Bodily Injury And Property Damage Liability**, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

## **SECTION II – WHO IS AN INSURED**

1. If you are designated in the Declarations as:
  - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

- (a) Owned, occupied or used by;
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by; you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

- c. Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.

- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

### SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

2. The General Aggregate Limit is the most we will pay for the sum of:

- a. Medical expenses under Coverage **C**;
- b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
- c. Damages under Coverage **B**.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages under Coverage **A**; and
  - b. Medical expenses under Coverage **C**
 because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

#### **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**

##### **1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

##### **2. Duties In The Event Of Occurrence, Offense, Claim Or Suit**

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and

- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

##### **3. Legal Action Against Us**

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

#### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

##### a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

##### b. Excess Insurance

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
  - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
  - (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
  - (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
  - (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability.
- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

##### c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

#### 5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

#### 6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;

- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

#### **7. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

#### **8. Transfer Of Rights Of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

#### **9. When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

### **SECTION V – DEFINITIONS**

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
  - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
  - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
  - c. All other parts of the world if the injury or damage arises out of:
    - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
    - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
    - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication; provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.



**9. "Insured contract" means:**

- a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b.** A sidetrack agreement;
- c.** Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d.** An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e.** An elevator maintenance agreement;
- f.** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

- (1)** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a)** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3)** Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

**10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".**

**11. "Loading or unloading" means the handling of property:**

- a.** After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b.** While it is in or on an aircraft, watercraft or "auto"; or
- c.** While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

**12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:**

- a.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b.** Vehicles maintained for use solely on or next to premises you own or rent;
- c.** Vehicles that travel on crawler treads;
- d.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1)** Power cranes, shovels, loaders, diggers or drills; or
  - (2)** Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2)** Cherry pickers and similar devices used to raise or lower workers;
- f.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing; or
  - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

**13.** "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

**14.** "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

**15.** "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**16.** "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
  - (a) When all of the work called for in your contract has been completed.
  - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
  - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

**17.** "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**18.** "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a.** An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

**19.** "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

**20.** "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

**21.** "Your product":

**a.** Means:

- (1)** Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - (a)** You;
  - (b)** Others trading under your name; or
  - (c)** A person or organization whose business or assets you have acquired; and
- (2)** Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

**b.** Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2)** The providing of or failure to provide warnings or instructions.

**c.** Does not include vending machines or other property rented to or located for the use of others but not sold.

**22.** "Your work":

**a.** Means:

- (1)** Work or operations performed by you or on your behalf; and
- (2)** Materials, parts or equipment furnished in connection with such work or operations.

**b.** Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2)** The providing of or failure to provide warnings or instructions.



**COMMERCIAL GENERAL LIABILITY  
CG 21 39 10 93**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CONTRACTUAL LIABILITY LIMITATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The definition of "insured contract" in the DEFINITIONS Section is replaced by the following:

"Insured contract" means:

- a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b.** A sidetrack agreement;
- c.** Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d.** An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e.** An elevator maintenance agreement.

COMMERCIAL GENERAL LIABILITY  
CG 21 49 09 99

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**TOTAL POLLUTION EXCLUSION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion f. under Paragraph 2., **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

This insurance does not apply to:

**f. Pollution**

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

- (2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

POLICY NUMBER: CPS1851193

COMMERCIAL GENERAL LIABILITY  
CG 21 54 01 96

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION - DESIGNATED OPERATIONS COVERED BY A CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### SCHEDULE

#### Description and Location of Operation(s):

MOVING & STORAGE COMPANY  
3355 EAST SLAUSON AVE  
VERNON, CA 90058

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising out of either your ongoing operations or operations included within the "products-completed operations hazard" at the location described in the Schedule of this endorsement, as a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:

- (1) Provides coverage identical to that provided by this Coverage Part;
- (2) Has limits adequate to cover all claims; or
- (3) Remains in effect.

COMMERCIAL GENERAL LIABILITY  
CG 21 73 01 08

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION OF CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**A. The following exclusion is added:**

This insurance does not apply to:

**TERRORISM**

"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism".

**B. The following definitions are added:**

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Part to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part.

2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

- a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
- b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.



SCOTTSDALE INSURANCE COMPANY®

**ENDORSEMENT  
NO.** \_\_\_\_\_

| ATTACHED TO AND<br>FORMING A PART OF<br>POLICY NUMBER | ENDORSEMENT EFFECTIVE DATE<br>(12:01 A.M. STANDARD TIME) | NAMED INSURED | AGENT NO. |
|---|--|---------------|-----------|
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION—CONTRACTORS AND SUBCONTRACTORS**

This endorsement modifies insurance under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

The following exclusion is added to **SECTION I—COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** and **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY**, paragraph **2. Exclusions**:

This insurance does not apply to “bodily injury,” “property damage,” or “personal or advertising injury” arising out of or caused by, in whole or in part:

- a.** Operations performed for or on behalf of any insured by any contractors or subcontractors;
- b.** Acts or omissions of any contractor or subcontractor in connection with **a.** above; or
- c.** The negligent:
  - (1)** Hiring;
  - (2)** Investigation;
  - (3)** Supervision;
  - (4)** Training; or
  - (5)** Retention

of any contractor or subcontractor for whom any insured is or ever was legally responsible and whose operations, acts or omissions would be excluded by **a.** or **b.** above.

This exclusion applies to all sums you become legally obligated to pay that arise out of any claims or “suits” by any person or organization for “bodily injury,” “property damage,” or “personal or advertising injury” and/or any obligation to share damages with or repay someone else who must pay damages because of the “bodily injury,” “property damage,” or “personal or advertising injury.”

We will have no duty to settle any claim or defend any “suit” against the insured arising out of or in any way related to **a.** **b.** or **c.** above.

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AUTHORIZED REPRESENTATIVE\_\_\_\_\_  
DATE





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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**TOTAL POLLUTION EXCLUSION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART

This insurance does not apply to:

## Pollution

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time.
- (2) Any loss, cost or expense arising out of any:
  - (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or

- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.

Pollutants mean any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapor, soot, fumes, acid, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

\_\_\_\_\_  
AUTHORIZED REPRESENTATIVE\_\_\_\_\_  
DATE



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**MULTI-UNIT HABITATIONAL CONVERSION EXCLUSION**

This insurance modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

This insurance does not apply to "property damage" included in the "products-completed operations hazard" to any structure(s) converted, including all operations necessary on the job site for the conversion, into:

1. A residential townhouse, townhome, or other multi-unit habitational building(s) designed or developed for sale to an individual or multiple owners;
2. Residential condominiums or residential cooperatives; or
3. Multi-use or mixed use projects which include any of the occupancies described in items 1. and 2. above,

regardless if the conversion took place prior to, during or after the policy period.

However, this exclusion shall not apply to any of "your work" performed on such structure(s), including operations necessary on the job site for the conversion, if "your work" was not conducted as part of the conversion operations or related in any way to the conversion operations or included within those conversion operations.

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AUTHORIZED REPRESENTATIVE\_\_\_\_\_  
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### **KNOWN INJURY OR DAMAGE EXCLUSION— PERSONAL AND ADVERTISING INJURY**

This endorsement modifies insurance provided under the following:

#### **COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

The following exclusion is added to Paragraph 2. **Exclusions** of **SECTION I—COVERAGES, COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**:

#### **Known Injury Or Damage**

This insurance does not apply to “personal and advertising injury” arising from an offense:

- a. That occurs during the policy period and, prior to the policy period, an insured listed under Paragraph 1. of **SECTION II—WHO IS AN INSURED** or an “employee” authorized by you to give or receive notice of an offense or claim, knew that the “personal and advertising injury” had occurred prior to the policy period, in whole or in part. If such a listed insured or authorized “employee” knew, prior to the policy period, that the “personal and advertising injury” occurred, then any continuation, change or resumption of such offense during or after the policy period will be deemed to have been known prior to the policy period; or
- b. That occurs during the policy period and was, prior to the policy period, known to have

occurred by any insured listed under Paragraph 1. of **SECTION II—WHO IS AN INSURED** or an “employee” authorized by you to give or receive notice of an offense or claim, includes any continuation, change or resumption of that “personal and advertising injury” after the end of the policy period.

A “personal and advertising injury” arising from an offense will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of **SECTION II—WHO IS AN INSURED** or an “employee” authorized by you to give or receive notice of an offense or claim:

- (1) Reports all, or any part, of the “personal and advertising injury” to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the “personal and advertising injury”; or
- (3) Becomes aware by any other means that “personal and advertising injury” has occurred or has begun to occur.

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ENDORSEMENT  
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| ATTACHED TO AND<br>FORMING A PART OF<br>POLICY NUMBER | ENDORSEMENT EFFECTIVE DATE<br>(12:01 A.M. STANDARD TIME) | NAMED INSURED             | AGENT NO. |
|---|--|---------------------------|-----------|
| CPS1851193  | 03/04/2014   | ELITE MOVING SYSTEMS, INC | 04068     |

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**OPTIONAL PROVISIONS ENDORSEMENT**

The following special provisions (indicated by an "X") apply to this policy.

**SCHEDULE**

- ☐ **Bodily Injury, Property Damage, Personal Injury and Advertising Injury Liability Deductible Endorsement**

| Coverage                                  | Amount and Basis of Deductible |
|---|--------------------------------|
| Bodily Injury Liability                   | \$ per claimant                |
| Property Damage Liability                 | \$ per claimant                |
| Personal and Advertising Injury Liability | \$ per claimant                |

- ☒ **Service of Suit Clause**

Service of Process will be accepted by: COMMISSIONER OF INSURANCE  
45 FREMONT, 23RD FLOOR, SAN FRANCISCO, CA 94105, and

Service of Process will be mailed to: NANCY FLORES C/O CT CORPORATION SYSTEM  
818 W. 7TH STREET, LOS ANGELES, CA 90017.

- ☒ **Minimum and Advance Premium Endorsement**

Minimum Premium 100 %.

- ☒ **Minimum Earned Cancellation Premium**

Minimum Earned Cancellation Premium 25 % of the advance premium.

GLS-94s (12-99)

**BODILY INJURY, PROPERTY DAMAGE, PERSONAL INJURY AND ADVERTISING  
INJURY LIABILITY DEDUCTIBLE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART****APPLICATION OF ENDORSEMENT**

Enter below any limitations on the application of this endorsement. If no limitation is entered, the deductibles apply to damages for all "bodily injury," "property

damage," "personal and advertising injury," ("personal injury" and "advertising injury") however caused:  
 NO LIMITATIONS

1. Our obligation under the Bodily Injury Liability, Property Damage Liability, Personal and Advertising

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Injury Liability (Personal Injury and Advertising Injury) Coverages to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated in the Schedule of this endorsement as applicable to such coverages, and the Limits of Insurance applicable to Each Occurrence or offense for such coverages will be reduced by the amount of such deductible. Aggregate Limits for such coverages shall not be reduced by the application of such deductible amount.

2. The deductible amounts apply to damages and all legal and loss adjustment expenses.
3. The deductible amounts stated in the Schedule above apply, respectively:
  - a. Under the Bodily Injury Liability Coverage to all damages because of "bodily injury" sustained by one person;

- b. Under Property Damage Liability Coverage to all damages because of "property damage" sustained by one person, any organization or association; or
- c. Under Personal and Advertising Injury Liability (Personal Injury and Advertising Injury) Coverages to all damages sustained by one person as the result of any one "occurrence" or offense.

4. The terms of this insurance, including those with respect to our right and duty to defend any "suits" seeking those damages and your duties in the event of an "occurrence," offense, claim or "suit," apply irrespective of the application of the deductible amount.
5. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

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UTS-9g (5-96)

## SERVICE OF SUIT CLAUSE

It is agreed that in the event of the failure of the Company to pay any amount claimed to be due under this policy, the Company at the request of the Insured (or reinsured), will submit to the jurisdiction of any court of competent jurisdiction within the United States of America and will comply with all requirements necessary to give the Court jurisdiction. All matters which arise will be determined in accordance with the law and practice of the Court. In a suit instituted against any one of them under this contract, the Company agrees to abide by the final decision of the Court or of any Appellate Court in the event of an appeal.

Pursuant to any statute of any state, territory or district of the United States of America which makes a provision, the Company will designate the Superintendent,

Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the Insured (or reinsured) or any beneficiary arising out of this contract of insurance (or reinsurance).

The officer named in the Schedule of this endorsement is authorized and directed to accept service of process on behalf of the Company.

Having accepted service of process on behalf of the Company, the officer is authorized to mail the process or a true copy to the individual named in the Schedule above.

GLS-47s (10-07)

**MINIMUM AND ADVANCE PREMIUM ENDORSEMENT**

This endorsement modifies Conditions provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

Item 5.b. of the Premium Audit Condition (under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS, LIQUOR LIABILITY CONDITIONS AND PRODUCTS/COMPLETED OPERATIONS LIABILITY CONDITIONS**) is amended to read:

- b. The advance premium for this Coverage Part is a deposit premium only. The final premium shall be subject to audit. At the close of each audit period we will compute the earned premium for that period. Any audit premiums are due and payable to us on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured, subject to the minimum premium as defined below. In the event the first Named Insured fails or refuses to allow our representative to audit your books and records, we may unilaterally charge a final premium for the policy period at double the minimum or advance premium, whichever is greater, and such final premium shall be immediately due and payable on notice to the first Named Insured. For purposes of this endorsement, the terms advance premium, earned premium, and minimum premium are defined as follows:

**Advance Premium** - The premium that is stated in the applicable initial policy Declarations or Renewal Certificate and payable in full by the first Named Insured at the inception of each Policy Period.

**Earned Premium** - The premium that is developed by applying the rate(s) scheduled in the policy to the actual premium basis for the audit period.

**Minimum Premium** - The lowest premium for which this insurance will be written for the Policy Period stated in **Item 2.** of the Declarations of the applicable initial policy or subsequent Renewal Certificate. This minimum premium is equal to 100% (unless a different percentage (%) is shown in the **SCHEDULE** above) of the advance premium including any premium adjustments made by endorsement to this policy during the Policy Period. Premium adjustments do not include the audit premium developed for the Policy Period stated in **Item 2.** of the Declarations.

UTS-119g (1-00)

**MINIMUM EARNED CANCELLATION PREMIUM**

The following provision is added to the Cancellation Condition:

If You request cancellation of this policy, We will retain not less than the percentage of the advance premium as stated in the Schedule.

\_\_\_\_\_  
AUTHORIZED REPRESENTATIVE

\_\_\_\_\_  
DATE

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**ENDORSEMENT  
NO.** \_\_\_\_\_

| ATTACHED TO AND<br>FORMING A PART OF<br>POLICY NUMBER | ENDORSEMENT EFFECTIVE DATE<br>(12:01 A.M. STANDARD TIME) | NAMED INSURED | AGENT NO. |
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### **AMENDATORY ENDORSEMENTS (Without Medical Payments Exclusion)**

This endorsement lists several endorsements that modify your policy as follows:

IL 00 17 11 98

### **COMMON POLICY CONDITIONS**

All Coverage Parts included in this policy are subject to the following conditions:

#### **A. Cancellation**

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. Ten (10) days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. Thirty (30) days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is canceled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

6. If notice is mailed, proof of mailing will be sufficient proof of notice.

#### **B. Changes**

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

#### **C. Examination of Your Books and Records**

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

#### **D. Inspections and Surveys**

1. We have the right to:
  - a. Make inspections and surveys at any time;
  - b. Give you reports on the conditions we find; and
  - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any

such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
  4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

#### **E. Premiums**

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

#### **F. Transfer of Your Rights and Duties Under This Policy**

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

UTS-428g (11-12)

### **PREMIUM AUDIT**

The following is added to the Premium Audit provision:

If the first Named Insured fails or refuses to provide documentation adequate to determine the apportionment of exposures by class code, we may unilaterally apply all exposures to the class code with the highest rate stated in the policy including any class code adjustments made by endorsement.

UTS-267g (5-98)

### **LEAD CONTAMINATION EXCLUSION**

This policy does not apply to:

1. Any damages arising out of the ingestion, inhalation or absorption of lead in any form.
2. Any loss, cost or expense arising out of any:
  - (a) Request, demand or order that any "insured" or others test for, monitor, clean up, remove,

contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of lead; or

- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of lead.

**EMPLOYMENT—RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I—Coverage A—Bodily Injury and Property Damage Liability:**

This insurance does not apply to:

“Bodily injury” to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person’s employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of “bodily injury” to that person at whom any of the employment-related practices described in Paragraphs (a), (b) or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I—Coverage B—Personal and Advertising Injury Liability:**

This insurance does not apply to:

“Personal and advertising injury” to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person’s employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of “personal and advertising injury” to that person at whom any of the employment-related practices described in Paragraphs (a), (b) or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

## AMENDMENT OF CONDITIONS

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
PRODUCTS COMPLETED OPERATIONS COVERAGE PART**

The Condition entitled **When We Do Not Renew** is deleted in its entirety.

IL 00 21 09 08

## NUCLEAR ENERGY LIABILITY EXCLUSION (BROAD FORM)

This endorsement modifies insurance provided under the following:

**COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
FARM COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY**

**1. The insurance does not apply:**

**A. Under any Liability Coverage, to “bodily injury” or “property damage”:**

- (1)** With respect to which an “insured” under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2)** Resulting from the “hazardous properties” of “nuclear material” and with respect to which
  - (a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the “insured” is,

or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

- B.** Under any Medical Payments coverage, to expenses incurred with respect to “bodily injury” resulting from the “hazardous properties” of “nuclear material” and arising out of the operation of a “nuclear facility” by any person or organization.
- C.** Under any Liability Coverage, to “bodily injury” or “property damage” resulting from “hazardous properties” of “nuclear material” if:

- (1)** The “nuclear material” **(a)** is at any “nuclear facility” owned by, or operated by or on behalf of, an “insured” or **(b)** has been discharged or dispersed therefrom;

- (2) The “nuclear material” is contained in “spent fuel” or “waste” at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an “insured”; or
- (3) The “bodily injury” or “property damage” arises out of the furnishing by an “insured” of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any “nuclear facility,” but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to “property damage” to such “nuclear facility” and any property thereat.

**2. As used in this endorsement:**

“Hazardous properties” includes radioactive, toxic or explosive properties.

“Nuclear material” means “source material,” “special nuclear material” or “by-product material.”

“Source material,” “special nuclear material,” and “by-product material” have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

“Spent fuel” means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a “nuclear reactor.”

“Waste” means any waste material (a) containing “by-product material” other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed

primarily for its “source material” content, and (b) resulting from the operation by any person or organization of any “nuclear facility” included under the first two paragraphs of the definition of “nuclear facility.”

“Nuclear facility” means:

- (a) Any “nuclear reactor”;
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing “spent fuel,” or (3) handling, processing or packaging “waste”;
- (c) Any equipment or device used for the processing, fabricating or alloying of “special nuclear material” if at any time the total amount of such material in the custody of the “insured” at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of “waste”;

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

“Nuclear reactor” means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

“Property damage” includes all forms of radioactive contamination of property.

GLS-30s (5-05)

## CONTRACTORS SPECIAL CONDITIONS

The following has been added to the policy:

### CONTRACTORS SPECIAL CONDITIONS

You will obtain current certificates of insurance from all independent contractors providing evidence of:

1. “Bodily injury” and “property damage” liability Limits of Insurance equal to or greater than the limits provided by this policy; and
2. Coverage equal to or greater than the coverages provided by this policy.

Failure to comply with this condition does not alter the coverage provided by this policy. However, should you fail to comply, a premium charge will be made at time of audit. At audit, the premium charge will be computed by multiplying the “total cost” of all work sublet that fails to meet the above condition, by the rate per \$1,000 payroll for the applicable classification of the work performed.

At audit, if the policy does not contain the applicable classification and rate for the work performed, we will multiply our usual and customary rate per \$1,000 payroll for that

classification, by the net modification factor, if any, applied to the policy rates.

For purposes of this endorsement, "total cost" means the cost of all labor, materials and equipment furnished, used

or delivered for use in the execution of the work and all fees, bonuses or commissions paid.

UTS-74g (8-95)

## PUNITIVE OR EXEMPLARY DAMAGE EXCLUSION

This policy does not apply to a claim of or indemnification for punitive or exemplary damages.

Punitive or exemplary damages also include any damages awarded pursuant to statute in the form of double, treble or other multiple damages in excess of compensatory damages.

If suit is brought against any insured for a claim falling within coverage provided under the policy, seeking both compensatory and punitive or exemplary damages, then the Company will afford a defense to such action. However, the Company will have no obligation to pay for any costs, interest or damages attributable to punitive or exemplary damages.

UTS-266g (5-98)

## ASBESTOS EXCLUSION

This policy does not apply to:

- (1) Damages in any way or to any extent arising out of or involving asbestos, asbestos fibers, or any product containing asbestos or asbestos fibers.
- (2) Any economic loss, diminution of property value, abatement costs, or any other loss, cost or expense including equitable relief, in any way or to any extent

arising out of or involving asbestos, asbestos fibers or any product containing asbestos or asbestos fibers.

- (3) Any fees, fines, costs, or expenses of any nature whatsoever in the investigation or defense of any claim or suit arising out of or involving asbestos, asbestos fibers, or any product containing asbestos or asbestos fibers.

CG 21 67 12 04

## FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A.** The following exclusion is added to Paragraph 2., **Exclusions of Section I—Coverage A. Bodily Injury And Property Damage Liability:**

#### 2. Exclusions

This insurance does not apply to:

#### Fungi or Bacteria

- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any

"fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.



This exclusion does not apply to any “fungi” or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I—Coverage B. Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Fungi or Bacteria**

- a. “Personal and advertising injury” which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any “fungi” or bacteria on or within a building or

structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.

- b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, “fungi” or bacteria, by any insured or by any other person or entity.

**C. The following definition is added to the Definitions Section:**

“Fungi” means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

GLS-152s (12-96)

## AMENDMENT TO OTHER INSURANCE CONDITION

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

Condition 4. Other Insurance of SECTION IV—COMMERCIAL GENERAL LIABILITY CONDITIONS is deleted in its entirety and is replaced by the following:

**4. Other Insurance**

**a. Primary Insurance**

This insurance is primary except when b. below applies.

**b. Excess Insurance**

This insurance is excess over any other insurance, whether primary, excess, contingent or on any other basis:

- (1) That is Fire, Extended Coverage, Builder’s Risk, Installation Risk or similar coverage for “your work”;
- (2) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
- (3) If the loss arises out of the maintenance or use of aircraft, “auto” or watercraft to the extent not subject to Exclusion g. of Coverage A. (Section I); or

- (4) That is valid and collectible insurance available to you under any other policy.

When this insurance is excess, we will have no duty under Coverages A. or B. to defend the insured against any “suit” if any other insurer has a duty to defend the insured against that “suit.” If no other insurer defends, we will undertake to do so, but we will be entitled to the insured’s rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all other insurance.

If a loss occurs involving two or more policies, each of which states that its insurance will be excess, then our policy will contribute on a pro rata basis.

## HYDRAULIC FRACTURING EXCLUSION

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART ERRORS AND OMISSIONS COVERAGE PART

- A.** The following is added to Paragraph **2. Exclusions** of **Section I—Coverage A. Bodily Injury And Property Damage Liability** of the Commercial General Liability Coverage Part and Paragraph **2. Exclusions** of **SECTION I—COVERAGE** of the Errors And Omissions Coverage Part:

This insurance does not apply to:

#### Hydraulic Fracturing

1. "Bodily injury," "property damage" or "error or omission":
  - a. Arising, in whole or in part, out of any operation involving substances under pressure being pumped underground with the objective of creating fractures in geologic formations to facilitate the release and extraction of hydrocarbons, including, but not limited to, oil or natural gas. Such operations include, but are not limited to, "hydraulic fracturing," "gas fracking" and/or the actual, alleged, threatened or suspected contact with, exposure to, existence of or presence of any "flowback" or the handling, transporting, storage, release or disposal of any "flowback" by any insured or by any other person or entity; or
  - b. Caused, directly or indirectly or in whole or in part, by the movement, in any direction, of earth or land arising, in whole or in part, out of any operation involving substances under pressure being pumped underground with the objective of creating fractures in underground geologic formations to facilitate the release and extraction of hydrocarbons, including, but not limited to, oil or natural gas. Such operations include, but are not limited to, "hydraulic fracturing" or "gas fracking."
2. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring,

cleaning up, removing, containing, treating, remediating or disposing of, or in any way responding to or assessing the effects of "hydraulic fracturing," "gas fracking" or "flowback," by any insured or by any other person or entity.

We will have no duty to settle any claim or defend any "suit" against the insured arising out of or in any way related to items **1.** or **2.** above.

- B.** The following is added to Paragraph **2. Exclusions** of **Section I—Coverage B. Personal And Advertising Injury Liability** of the Commercial General Liability Coverage Part:

This insurance does not apply to:

#### Hydraulic Fracturing

1. "Personal and advertising injury":
  - a. Arising, in whole or in part, out of any operation involving substances under pressure being pumped underground with the objective of creating fractures in underground geologic formations to facilitate the release and extraction of hydrocarbons, including, but not limited to, oil or natural gas. Such operations include, but are not limited to, "hydraulic fracturing," "gas fracking" and/or the actual, alleged, threatened or suspected contact with, exposure to, existence of or presence of any "flowback" or the handling, transporting, storage, release or disposal of any "flowback" by any "insured" or by any other person or entity; or
  - b. Caused, directly or indirectly or in whole or in part, by the movement, in any direction, of earth or land arising, in whole or in part, out of any operation involving substances under pressure being pumped underground with the objective of creating fractures in underground geologic formations to facilitate the

release and extraction of hydrocarbons, including, but not limited to, oil or natural gas. Such operations include, but are not limited to, "hydraulic fracturing" or "gas fracking."

2. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, remediating or disposing of, or in any way responding to or assessing the effects of "hydraulic fracturing," "gas fracking" or "flowback," by any insured or by any other person or entity.

We will have no duty to settle any claim or defend any "suit" against the insured arising out of or in any way related to items 1. or 2. above.

For purposes of this endorsement, the following definitions apply:

1. "Hydraulic fracturing," or hydrofracking means the process by which water, "proppants," chemicals and/or other fluid additives are injected at

high pressure into underground geologic formations to create fractures, to facilitate the extraction of any hydrocarbons including but not limited to natural gas and/or oil.

2. "Flowback" means any substance containing returned "hydraulic fracturing" fluid, including but not limited to water, "proppants," "hydraulic fracturing" fluid additives; and, any hydrocarbon compounds, salts, conventional pollutants, organics, metals, and naturally occurring radioactive material brought to the surface with the water.
3. "Gas fracking" or liquefied propane/butane gas fracturing means the waterless process by which propane gel and "proppants" are injected at high pressure into underground geologic formations to create fractures, to facilitate the release and extraction of natural gas.
4. "Proppant" means particles that are used to keep fractures open after a hydraulic fracturing treatment.

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AUTHORIZED REPRESENTATIVE

DATE

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SCOTTSDALE INSURANCE COMPANY®

**ENDORSEMENT  
NO.** \_\_\_\_\_

| ATTACHED TO AND<br>FORMING A PART OF<br>POLICY NUMBER | ENDORSEMENT EFFECTIVE DATE<br>(12:01 A.M. STANDARD TIME) | NAMED INSURED | AGENT NO. |
|---|--|---------------|-----------|
|   |  |               |           |

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDMENT OF NONPAYMENT CANCELLATION CONDITION**

Wherever a Cancellation Condition for nonpayment of premium is found in the policy, the following is added:

If the insured failed to pay premium charged on a prior policy we issued and payment was due during the current renewal policy term, we may cancel this policy by mailing or delivering to the first Named Insured and mortgagee, if any, written notice of cancellation at least ten (10) days before the effective date of cancellation.

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 AUTHORIZED REPRESENTATIVE

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 DATE



## SCOTTSDALE INSURANCE COMPANY®

**COMMERCIAL INLAND MARINE COVERAGE PART  
SUPPLEMENTAL DECLARATIONS**

Policy No. CPS1851193 Effective Date 03/04/2014  
 12:01 A.M. Standard Time  
 Named Insured ELITE MOVING SYSTEMS, INC Agent No. 04068

**Item 1. Business Description:** MOVING & STORAGE COMPANY

**Item 2. Coverages and Premiums**

|                 | COVERAGE PART | PREMIUM |
|-----------------|---------------|---------|
| WAREHOUSE LEGAL |               | 750     |

|                                    |           |            |
|------------------------------------|-----------|------------|
| <b>TOTAL INLAND MARINE PREMIUM</b> | <b>\$</b> | <b>750</b> |
|------------------------------------|-----------|------------|

**Item 3. Forms and Endorsements**

Form(s) and Endorsement(s) made a part of this policy at time of issue:

**See Schedule of Forms and Endorsements**

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

## COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

### LOSS CONDITIONS

#### A. Abandonment

There can be no abandonment of any property to us.

#### B. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

#### C. Duties In The Event Of Loss

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.
8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.
10. Cooperate with us in the investigation or settlement of the claim.

#### D. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

#### E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.



5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:

- a. We have reached agreement with you on the amount of the loss; or
- b. An appraisal award has been made.

6. We will not be liable for any part of a loss that has been paid or made good by others.

#### **F. Other Insurance**

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

#### **G. Pair, Sets Or Parts**

##### **1. Pair Or Set**

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

##### **2. Parts**

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

#### **H. Recovered Property**

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

#### **I. Reinstatement Of Limit After Loss**

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

#### **J. Transfer Of Rights Of Recovery Against Others To Us**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property.
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance; or
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you.

This will not restrict your insurance.

#### **GENERAL CONDITIONS**

##### **A. Concealment, Misrepresentation Or Fraud**

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

##### **B. Control Of Property**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

##### **C. Legal Action Against Us**

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

**D. No Benefit To Bailee**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

**E. Policy Period, Coverage Territory**

We cover loss or damage commencing:

1. During the policy period shown in the Declarations; and
2. Within the coverage territory.

**F. Valuation**

The value of property will be the least of the following amounts:

1. The actual cash value of that property;

2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.



## WAREHOUSE OPERATORS LEGAL LIABILITY COVERAGE FORM

### SCHEDULE

| Warehouse Located at (Street, City and State) | Limits Of Insurance |
|---|---------------------|
| 1. 3355 EAST SLAUSON AVE , VERNON, CA 90058   | \$ 50,000           |
| 2.  | \$                  |
| 3.  | \$                  |
| 4.  | \$                  |
| 5.  | \$                  |
| Fraud and Deceit                              | \$ 1,000            |
| Deductible                                    | \$ 500              |

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F. Definitions.

#### A. Coverage

##### 1. Insuring Agreement

We will pay those sums that you become legally obligated to pay as damages as a warehouse operator or bailee because of direct physical loss or damage to Covered Property from any of the Covered Causes of Loss.

We have the right and duty to defend you against any "suit" seeking these damages. However, we have no duty to defend you against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any occurrence and settle any claim or "suit" that may result. But:

- The most we will pay for damages is limited as described in Section C. Limits Of Insurance; and
- Our right and duty to defend ends when we have used up the Limit of Insurance in the payment of judgments or settlements.

##### 2. Covered Property

Covered Property, as used in this coverage form, means tangible property of others in your care,

custody or control that is stored in your warehouse described in your "warehouse receipt."

##### 3. Property Not Covered

Covered Property does not include:

- Accounts, bills, currency, deeds, evidences of debt, money, notes or securities, manuscripts, plans or other valuable papers;
- Property for which you have assumed liability under any contract or agreement in excess of liability imposed by law upon you as a warehouse operator or bailee, unless otherwise specified in the Declarations;
- Property for which you have been released of liability;
- Furs or fur garments, jewelry, watches, precious stones, gold, platinum, silver, or other precious metals and alloys or fine arts;
- Property in transit. This includes property that is held as storage in transit under a bill of lading;
- Manufactured tobacco, liquors, wines or other alcoholic beverages;

- g. Any commodity that requires refrigeration;
- h. Live animals;
- i. Contraband or property in the course of illegal transportation or trade;
- j. Aircraft or watercraft;
- k. Personal property you own, lease or rent;
- l. Property in storage for which you are acting as a lessor of storage space; or
- m. Property not under a "warehouse receipt."

#### 4. Covered Causes Of Loss

Covered Causes of Loss means direct physical loss or damage to Covered Property except those causes of loss listed in the Exclusions.

#### 5. Additional Coverage

##### a. Debris Removal

- (1) We will pay your expenses to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within one hundred eighty (180) days of the date of direct physical loss or damage.
- (2) The most we will pay under this Additional Coverage is twenty-five percent (25%) of:
  - (a) The amount we pay for the direct physical loss or damage to Covered Property; plus
  - (b) The deductible in this policy applicable to that loss or damage.
- (3) This Additional Coverage does not apply to costs to:
  - (a) Extract "pollutants" from land or water; or
  - (b) Remove, restore or replace polluted land or water.

##### b. Preservation Of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of

Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within thirty (30) days after the property is first moved.

##### c. Supplementary Payments

We will pay with respect to any claim we investigate or settle, or any "suit" against you we defend:

- (1) All expenses we incur.
- (2) The cost of appeal bonds and bonds to release attachments, but only for bond amounts within the Limit of Insurance applicable to this insurance. We do not have to furnish these bonds.
- (3) All reasonable expenses incurred by you at our request to assist us in the investigation or defense of the claim or "suit," including actual loss of earnings up to \$250 a day because of time off from work.
- (4) All costs taxed against you in the "suit."
- (5) Prejudgment interest awarded against you on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance applicable to this insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- (6) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the Limit of Insurance applicable to this insurance.

These Supplementary Payments are in addition to the Limit of Insurance applicable to this insurance.

#### 6. Coverage Extension

##### a. Additional Insureds

If the Named Insured shown in the Declarations is a partnership or corporation,

throughout this coverage form, the words "you" and "your" also include partners, executive officers, trustees, directors and stockholders of such partnership or corporation, but only with respect to their duties as such.

**b. Fraud And Deceit**

We will cover theft of Covered Property when you, your agents, customers or consignees are fraudulently induced to part with the Covered Property:

- (1) To persons who falsely represent themselves as the proper persons to receive the property;
- (2) By the acceptance of fraudulent bills of lading or shipping receipts; or
- (3) As a result of or directly related to the use of any electronic data processing hardware or software.

The most we will pay in any one occurrence for theft of Covered Property under this Coverage Extension is \$1,000.

**B. Exclusions**

This insurance does not apply to:

1. Your liability for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

**a. Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this coverage form.

**b. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by

that fire if the fire would be covered under this coverage form.

**c. War And Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by a governmental authority in hindering or defending against any of these.

Exclusions B.1.a. through B.1.c. apply whether or not the loss event results in widespread damage or affects a substantial area.

2. Your liability for loss or damage caused by or resulting from any of the following:

- a. Delay, loss of use, loss of market or any other consequential loss.
- b. Unexplained disappearance.
- c. Shortage found upon taking inventory.
- d. Dishonest or criminal act committed by:
  - (1) You, any of your partners, employees, directors, trustees, or authorized representatives;
  - (2) A manager or a member if you are a limited liability company;
  - (3) Anyone else with an interest in the property, or their employees or authorized representatives; or
  - (4) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

- e. Breakdown of refrigeration equipment.
- f. Forged bills of lading, loading, shipping or warehouse receipts.
- g. Strikers, locked-out workers or persons taking part in labor disturbances, or riot or civil commotion.
- h. Pollution.

Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss." But if loss or damage by the "specified causes of loss" results, we will pay for the loss or damage caused by the "specified causes of loss."

- i. Processing or work upon the property.

But if processing or work upon the property results in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion if the fire or explosion would be covered under this coverage form.

- j. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

(1) Electrical or electronic wire, device, appliance, system or network; or

(2) Device, appliance, system or network utilizing cellular or satellite technology; creating a short circuit or other electric disturbance within an article covered under this coverage form.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes, but is not limited to, electrical current, including arcing; electrical charge produced or conducted by a magnetic or electromagnetic field; pulse of electromagnetic energy; electromagnetic waves or microwaves.

But if artificially generated electrical, magnetic or electromagnetic energy, as described above, results in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion if the fire or explosion would be covered under this coverage form.

This exclusion only applies to loss or damage to that article in which the disturbance occurs.

- k. Except as provided under Coverage Extension, Fraud And Deceit, voluntary parting with title to or possession of any property because of any fraudulent scheme, trick or false pretense, including unauthorized instruction to transfer property to any person or to any place.
  - l. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
  - m. Loss to "perishable stock" caused by "spoilage."
3. Your liability for loss or damage caused by or resulting from the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.
    - a. Wear and tear, deterioration or humidity.
    - b. Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration.
    - c. Mechanical breakdown.
    - d. Insects, vermin, rodents.
    - e. Corrosion, rust, dampness, extremes of temperature.

### C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Schedule above.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

1. Preservation of Property; or
2. Debris Removal, but if:
  - a. The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
  - b. The debris removal expense exceeds the amount payable under the twenty-five percent (25%) limitation in the Debris Removal Additional Coverage;



we will pay up to an additional \$10,000 for each location in any one occurrence under the Debris Removal Additional Coverage.

#### **D. Deductible**

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limit of Insurance exceeds the Deductible shown in the Schedule above. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

#### **E. Additional Conditions**

##### **1. Duties In The Event Of Loss**

Under **COMMERCIAL INLAND MARINE CONDITIONS** form, paragraph C. **Duties In The Event Of Loss** of the **LOSS CONDITIONS** section is replaced by the following:

##### **Duties In The Event Of Loss**

- a. You must see to it that we are notified promptly of any accident that may result in a claim. Notice should include:

- (1) How, when and where the accident took place; and
- (2) The names and addresses of any witnesses.

Notice of an accident is not a notice of a claim.

- b. If a claim is made or "suit" is brought against you, you must see to it that we receive prompt notice of the claim or "suit."

- c. You must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to

you because of loss or damage to which this insurance may also apply.

- d. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

2. The following condition applies in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

##### **Coverage Territory**

- a. We cover property wherever located within:

- (1) The United States of America (including its territories and possessions);
- (2) Puerto Rico; and
- (3) Canada.

- b. We also cover property being shipped by air within and between the points in Paragraph a.

3. The following is added to the Valuation Condition found in the Commercial Inland Marine Conditions:

In our determination of the actual cash value of Covered Property at the time of loss or damage, we will take into account factors such as depreciation, deterioration and obsolescence.

#### **F. Definitions**

1. "Perishable stock" means property preserved and maintained under controlled conditions and susceptible to loss or damage if the controlled conditions change.
2. "Pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

3. "Specified Causes of Loss" means the following:

Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

- a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty

spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

- (1) The cost of filling sinkholes; or
  - (2) Sinking or collapse of land into man-made underground cavities.
- b. Falling objects does not include loss or damage to:
- (1) Personal property in the open; or
  - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.

4. "Spoilage" means any detrimental change in the physical state of "perishable stock". Detrimental change includes, but is not limited to, thawing of frozen goods, warming of refrigerated goods, or solidification of liquid material.
5. "Suit" means a civil proceeding in which damages because of property damage to which this insurance applies are alleged. "Suit" includes:
  - a. An arbitration proceeding in which such damages are claimed and to which you must submit or submit with our consent; or
  - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.
6. "Warehouse receipt" means the receipt issued by you to your customer acknowledging that property is being stored at your warehouse and includes:
  - a. A description of the property; and
  - b. The limited liability assumed by you.

**COMMERCIAL GENERAL LIABILITY**  
**CG 32 34 01 05**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CALIFORNIA CHANGES**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
ELECTRONIC DATA LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCT WITHDRAWAL COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

The term "spouse" is replaced by the following:

Spouse or registered domestic partner under California law.

IL 01 02 05 05

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CALIFORNIA CHANGES – ACTUAL CASH VALUE**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
 COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 FARM COVERAGE PART  
 STANDARD PROPERTY POLICY

With respect to an "open policy", the following are added to any provision which uses the term actual cash value:

- A.** In the event of a total loss to a building or structure, actual cash value is calculated as the lesser of the following:
  - 1. The Limit of Insurance applicable to that building or structure; or
  - 2. The fair market value of the building or structure.
- B.** In the event of a partial loss to a building or structure, actual cash value is calculated as the lesser of the following:
  - 1. The amount it would cost to repair, rebuild or replace the property less a fair and reasonable deduction for physical depreciation of the components of the building or structure that are normally subject to repair or replacement during its useful life. Physical depreciation is based upon the condition of the property at the time of the loss; or
  - 2. The Limit of Insurance applicable to the property.
- C.** In the event of a partial or total loss to Covered Property other than a building or structure, actual cash value is calculated as the lesser of the following:
  - 1. The amount it would cost to repair or replace the property less a fair and reasonable deduction for physical depreciation, based on the condition of the property at the time of loss; or
  - 2. The Limit of Insurance applicable to the property.
- D.** An "open policy" is a policy under which the value of Covered Property is not fixed at policy inception, but is determined at the time of loss in accordance with policy provisions on valuation. The term "open policy" does not apply to Covered Property that is subject to an Agreed Value clause or similar clause that establishes an agreed value prior to loss, unless such clause has expired.



SCOTTSDALE INSURANCE COMPANY®

ENDORSEMENT  
NO. \_\_\_\_\_

| ATTACHED TO AND<br>FORMING A PART OF<br>POLICY NUMBER | ENDORSEMENT EFFECTIVE DATE<br>(12:01 A.M. STANDARD TIME) | NAMED INSURED             | AGENT NO. |
|---|--|---------------------------|-----------|
| CPS1851193  | 03/04/2014   | ELITE MOVING SYSTEMS, INC | 04068     |

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDATORY ENDORSEMENT - CALIFORNIA**

Wherever the term AUTHORIZED REPRESENTATIVE appears beneath a signature line in this policy, it is removed and replaced by the term COUNTERSIGNATURE.

For example:

\_\_\_\_\_/\_\_\_\_\_  
DATE AUTHORIZED REPRESENTATIVE

is replaced by:

\_\_\_\_\_/\_\_\_\_\_  
DATE COUNTERSIGNATURE

\_\_\_\_\_/\_\_\_\_\_  
COUNTERSIGNATURE DATE



## **National Casualty Company**

Scottsdale Indemnity Company

**SCOTTSDALE**  
SURPLUS LINES INSURANCE COMPANY

### **CLAIM REPORTING INFORMATION**

Your insurance policy has been placed with the Scottsdale Insurance Group, a subsidiary of the Nationwide Insurance Company. The Scottsdale Insurance Group is a reliable, service-oriented group of companies that will help protect you against certain losses.

Our commitment to you is to provide fast, fair claim service. Promptly reporting an event that could lead to a claim, as required by your policy, helps us fulfill this commitment to you. Please refer to your policy for this and all other terms and conditions.

To report a claim, you may contact the Scottsdale Insurance Group 24 hours a day, 7 days a week, by calling 1-800-423-7675 or via our Web site at [www.scottsdaleins.com](http://www.scottsdaleins.com).

Thank you for your business and as always, we appreciate the opportunity to serve you.

#### **HOW TO REPORT A CLAIM**

Call **1-800-423-7675** or visit our Web site at **[www.scottsdaleins.com](http://www.scottsdaleins.com)**

In order to expedite this process, please be prepared to furnish as much of the following information as possible:

- Your policy number
- Date, time and location of the loss/accident
- Details of the loss/accident
- Name, address and phone number of any involved parties
- If applicable, name of law enforcement agency or fire department along with the incident number

**Please refer to your policy for specific claim reporting requirements.**



SCOTTSDALE INSURANCE COMPANY®

## **NOTICE TO CALIFORNIA INSURED**

- 1. THE INSURANCE POLICY THAT YOU [HAVE PURCHASED] [ARE APPLYING TO PURCHASE] IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED “NON-ADMITTED” OR “SURPLUS LINE” INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR “SURPLUS LINE” BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC’S INTERNET WEB SITE AT [WWW.NAIC.ORG](http://WWW.NAIC.ORG).**



- 5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE'S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**
- 6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC'S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF APPROVED AGENT, BROKER, OR "SURPLUS LINE" BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**
- 7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEBSITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: [WWW.INSURANCE.CA.GOV](http://WWW.INSURANCE.CA.GOV).**
- 8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER'S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.**

(California D-2)

# EXHIBIT C

**IPFS CORPORATION**

(IPFS)

1702 E. HIGHLAND AVE.  
SUITE 110  
PHOENIX, AZ 85016  
PHONE: (800)561-2612 - FAX: (602)494-6990

**NOTICE OF CANCELLATION**

REFER TO THIS  
ACCOUNT NO. IN ALL  
CORRESPONDENCE

ACCOUNT NUMBER

**AZP-274496****TO THE INSURED:**

You are notified that the policies listed below are cancelled for non-payment of an installment in accordance with the conditions and terms of the Premium Finance Agreement which incorporates a power of attorney. This cancellation is effective on the date indicated below, at the hour indicated in the policy as the effective time.

Funds received in this office on or after the cancellation date specified below will be credited to your account. The tender of such funds and their acceptance by IPFS does not constitute reinstatement of the account or of the scheduled policies. You may have a statutory duty to replace your automobile liability insurance on or before the cancellation date. Not applicable in VA.

If the return premiums from the insurance company are less than the unpaid balance of your account, you will be required to pay the difference to IPFS. You will hear from us as soon as we receive all return premiums if there is any remaining balance due.

**TO THE PRODUCER:**

The original of the NOTICE has been sent to the insured. Cancellation will occur on the date indicated unless payment is received prior to that date.

**GENERAL AGENT**

COASTAL BROKERS INSURANCE SERVICES  
6602 OWENS DRIVE  
SUITE 300  
PLEASANTON, CA 94588

**INSURED**

ELITE MOVING SYSTEMS INC  
JIM GARCIA  
3355 E SLAUSON AVE  
VERNON, CA 90058-3914

**MAILING DATE**

04/28/14

**EFFECTIVE DATE  
OF  
CANCELLATION**

05/01/14

**ACCOUNT  
BALANCE**

\$2,618.80

**AGENT**

BERRIER INSURANCE AGENCY  
11768 ATWOOD RD  
SUITE 11  
AUBURN, CA 95603

**SCHEDULE OF POLICIES**

| POLICY PREFIX<br>AND NUMBER | EFFECTIVE DATE | FULL NAME OF INSURER AND GENERAL AGENT OTHER<br>THAN SUBMITTING PRODUCER TO WHOM COPY OF THIS<br>NOTICE WAS SENT | COVERAGE                     | POLICY<br>TERM IN<br>MONTHS<br>COVERED<br>BY PREM. | PREMIUM<br>FINANCED |
|-----------------------------|----------------|--|------------------------------|--|---------------------|
|                             |                |  | FIRE, AUTO<br>MAR., LM., CAS |  |                     |
| CPS1851193                  | 03/04/14       | SCOTTSDALE INSURANCE CO<br>COASTAL BROKERS INSURANCE SERVICES  | GL                           | 12   | \$3,265.00          |
|                             |                |  | FEES<br>TAXES                |  | 250<br>104.48       |

**TO THE INSURER:**

The policies listed above are HEREBY CANCELLED by IPFS on behalf of the insured in accordance with the authority given us by the insured to cancel the policies upon default in his payment to IPFS. The above insured and the producer(s) listed herein have been notified by ordinary mail of this cancellation.

The gross unearned premium (including unearned commission) is to be forwarded to IPFS, at the address shown above, promptly for credit to the insured's account.

**METHOD OF COMPUTING UNEARNED PREMIUMS TO BE PAID TO IPFS:**

The gross unearned premium computed on a pro rata basis.

**INSURANCE COMPANY NOTE: PLEASE ATTACH REFUND CHECK OR COMPLETE AND RETURN ONE COPY**

| DATE OF CANCELLATION | AMOUNT OF REFUND | DATE REFUND WILL BE SENT |  |
|----------------------|------------------|--------------------------|--|
|                      | \$               |                          |  |

**CERTIFICATE OF SERVICE**

I, Kristine D. Wood, certify that on the date noted below, I caused a true and correct copy of the foregoing **COMPLAINT** to be served upon the following parties via the method indicated below, addressed as follows:

|  |   |
|--|---|
| Jay Horowitz and Kim Horowitz<br>c/o Kelly L. Andersen, P.C.<br>Attorney at Law<br>1730 E. McAndrews, Suite A<br>Medford, OR 97504<br><a href="mailto:Kelly@andersenlaw.com">Kelly@andersenlaw.com</a> | <input type="checkbox"/> Facsimile<br><input checked="" type="checkbox"/> Email<br><input checked="" type="checkbox"/> U.S. Mail<br><input type="checkbox"/> Overnight Mail<br><input type="checkbox"/> Hand Delivery |
| Elite Moving Systems, Inc.<br>3355 East Saluson Avenue<br>Vernon, CA 90058   | <input type="checkbox"/> Facsimile<br><input type="checkbox"/> Email<br><input checked="" type="checkbox"/> U.S. Mail<br><input type="checkbox"/> Overnight Mail<br><input type="checkbox"/> Hand Delivery            |

DATED this 7th day of March, 2017 at Portland, Oregon.

SELMAN BREITMAN LLP

By: /s/ Kristine D Wood  
Kristine Wood  
kwood@selmanlaw.com